

ocial expression on the part of the German Government of its desire to afford reparation up to the limit of German ability to pay. This Government stands with the governments of the Allies in holding Germany responsible for the war and therefore, morally bound to make reparation, so far as may be possible.

"The recognition of this obligation, implied in the memorandum of Dr. Simons, seems to the Government of the United States the only sound basis on which can be built a firm and just peace under which the various nations of Europe can achieve once more economic independence and stability.

"This Government believes that it recognizes in the memorandum of Dr. Simons a sincere desire on the part of the German Government to reopen negotiations with the Allies on a new basis and hopes that such negotiations, once resumed, may lead to a prompt settlement which will at the same time satisfy the just claims of the Allies and permit Germany hopefully to renew its productive activities."

Paraphrase of Memorandum.
Following is a paraphrase prepared by the State Department of the memorandum given by Dr. Simons to Mr. Drexel, American Commissioner in Berlin:

"It is the earnest desire of the Government of Germany to reach an accord with the governments of the Allied and associated Powers, and it is sincere in its purpose to meet their requirements as far as possible. That an agreement was not reached at the conference of London on the question of reparations is a matter of extreme regret to the Government of Germany. In their efforts to reach an agreement, the delegates from Germany went far beyond the limit considered possible for Germany in the judgment of an overwhelming majority of her economic experts.

"It has been asserted that Germany is reluctant to recognize her obligation to make reparations. This is not correct.

"It is entirely clear not only to the Government of Germany but to the German people also that Germany must make reparation to the limit of her ability to pay. This realization on the part of Germany will not be altered in any way by any changes which may take place in the internal policies of the country. Every responsible group, particularly the workmen, of Germany are imbued with the determination to do all that lies in their power to help in reconstructing the regions which have been devastated. Fundamental to this determination is the sober conviction on the part of responsible circles in Germany that an early removal of all traces of the devastation caused in France is to be the best interests of Germany. It is the consensus of opinion also that the proposals made by Germany in regard to reparation must consider fully the financial necessities of the Allied and associated governments and particularly of France.

"In view of the foregoing, two considerations in regard to reparations present themselves, both of which are of importance. These considerations are, first, the matter of the rehabilitation of the devastated regions, and second, the immediate establishment by Germany of an actual sum of cash money, in foreign exchange, of important proportions.

"In addressing ourselves to the first particular, namely, the rehabilitation of the devastated regions, certain facts are at once apparent. For four years ten of the eighty-six departments of France served as the theatre of the war and sustained the severest blows of the conflict. In these ten departments a number of cities, towns and villages were either partly or entirely destroyed, and wide stretches of fertile farming lands were laid waste. Only a little has been accomplished toward the rebuilding of homes, the reoccupation and the recultivation of the land in the two years that have elapsed since the ending of the war. For the immediate rehabilitation of these devastated regions Germany has repeatedly offered material assistance. These offers have not been accepted, nor have they even reached the point of diplomatic exchange. The reason is not far to seek.

Motive Is Assigned.

"Peculiar though it may seem, there exists in France only a limited degree of concern for the rehabilitation of the devastated regions. Advanced indemnities have been given to the former occupants of the soil, and these occupants have removed to other parts of the country and taken up their abode there. The salvaging of the abandoned war materials and the cleaning up of the war zone has been undertaken by influential groups of promoters, who are making an effort to expedite the performance of their contracts. The fact that influential opinion in France sees in the devastated region a remarkable opportunity for a political agitation which will always make a deep impression in the minds of the people of France and on foreign nations has an important bearing on the issue.

"The German Government does not desire to see hate perpetuated between nations. In accordance with this purpose it intends to submit fresh proposals on this subject to the Government of France, the details of which are now under consideration and the subject of discussion with the laborers of Germany. Should the Government of France entertain objections to the employment of numbers of German laborers in the areas undergoing reconstruction the Government of Germany stands ready to offer to France good offices and resources in whatever form is acceptable.

"In respect to the second consideration, namely, the immediate establishment by Germany of an actual sum of cash money, in foreign exchange, of important proportions, it is obvious that Germany can fulfill this obligation only through large increases in the volume of her exports. The memorandum prepared by the economic experts of Germany for the conference at London demon-

strated how huge this increase in Germany's exports necessarily would be if great sums of money were thereby to be obtained, and the menace this great increase would imply to the economic life of their countries. Conceding even this, it further remains that the sum in cash required could not be immediately realized.

Other Proposals Advanced.

"Other considerations have been advanced at various times, among them the proposal that our former opponents in the great war should participate in the returns from German industry, either through taking shares of the capital stock of German companies or by other forms of the sharing of profits. Such a proposal would produce only proceeds in paper marks, valueless to foreign creditors. Indeed, the Allied and associated governments themselves negated these proposals in the Treaty of Versailles by taking for themselves a first mortgage on the total wealth and all sources of income of the German commonwealth and states. In addition to this the Allied and associated governments, in their deliberations at Paris, reserved for themselves the decision as to what opportunity, if any, Germany may in any instance be given to obtain credit abroad because England and France are themselves in debt beyond their limit, and the granting of a credit to Germany by a neutral Power is blocked by the general mortgage.

"An international loan, in favor of which the Allied and associated governments would waive their general mortgage, constitutes the only solution of the problem. The Government of Germany is prepared to offer the necessary securities for the safety of such a loan. It is the opinion of the German Government that if the loan were properly organized and offered and if those who have evaded taxation be granted a general amnesty, the largest sum of credit capital which has been secretly withdrawn from Germany could again be drawn in for the loan and thereby be made available for the reparations.

"It has been reiterated by the Allied and associated Governments that the situation of Germany is better than that of many of the Allied and associated countries, due to the fact that Germany has no foreign debts. Germany would not be unwilling to assume the obligation of the interest and the amortization of the foreign debts of the Allied and associated Powers, within the limit of her capacity, should this measure be entertained by the Allied and associated Governments and their creditors.

"Germany stands ready to meet any proposal which appears feasible for the solution of the economic and financial problems of Europe, and would invite the examination by unbiased experts of its own ability to make payment. It is the opinion of Germany that the heavy weight of debt now borne by all the states which were participants in the world war and the damages which were wrought in the course of that war cannot be laid upon the shoulders of a single people. Germany believes also that a policy of duress and coercion would not bring about the reconstruction of international economic life, and that only by way of peaceful discussion and understanding can such reconstruction be obtained. The German Government considers it important to give, with solemn emphasis, the assurance that for its part it is honestly willing to follow the path which it has suggested."

LEAGUE BACKS FRENCH TROOPS IN SARRE ZONE

Considered as Garrison for Proper Protection.

By the Associated Press.
GENEVA, April 4.—The council of the League of Nations will apply the same rule to Germany's latest protest against the presence of French military forces in the Sarre zone as applied to previous protests, it was announced by council officials here today. Unless some member of the league raises the question no action will be taken. The French troops in the Sarre territory are not considered troops of occupation, but a garrison, the officials pointed out. As French interests predominate in exploitation of the mines and factories of the region, the presence of the French garrison is regarded by the council to be proper as eventual protection in case of trouble.

SOCIALISTS NEAR SPLIT.

Madrid Body Votes Down Adhesion to Third Internationale.

MADRID, April 4.—After a very stormy discussion the Madrid Socialists at a meeting in the workers' headquarters today voted down adhesion to the Third (Moscow) Internationale, 245 to 140.

There are strong indications that the party will eventually split.

J.M. Gidding & Co.
136 5th Avenue, N.Y. 11
NEW YORK

PRESENT
EVERY FASHION
OF IMPORTANCE
FOR THE COMPLETION OF
THE
DAY OR EVENING
COSTUME
FOR TOWN OR COUNTRY WEAR

FEATURING
NEW FROCKS AND GOWNS
RICHLy EMBROIDERED AND FRINGED EFFECTS IN
CANTON CREPE AND SATIN.

FASHIONABLE
DAY COATS AND WRAPS
INCLUDING MANY STUNNING FRINGED STYLES

HANDSOME THREE-PIECE
COSTUME TAILLEURS
OF TWILL CORD, SATIN AND CREPE

SPORTS WEAR

SMART NECK SCARFS
OF SABLE, FISHER AND SILVER OR BLUE FOX

HATS
IN A VARIETY OF ATTRACTIVE NEW EFFECTS

TRAIN IS WAITING TO TAKE CHARLES TO SWITZERLAND

Semi-Official Agency Says
Former Emperor Will
Leave This Morning.

GUARD BECOMES COURT

Hungarian Government Irresolute in Punishing
Friends of Hapsburgs.

COUNCIL BACKS REGENT

Takes Oath of Loyalty and
Garrison of Budapest
Follows Example.

BUDAPEST, April 4.—A despatch from Steinmanger to the Korr Bureau, the semi-official Austrian news agency, says that former Emperor Charles will leave Tuesday morning at 9:30 o'clock for Switzerland.

The despatch adds that the train for Charles already has arrived at Steinmanger from Budapest. The Government is charged with being irresolute in the punishment of persons of pro-Hapsburg tendencies. Bishops, politicians and officers who were arrested have been released from prison. Some of the law experts declare that they could not be punished under the criminal code because Charles really holds the title of King in Hungary. In fact, they say, any one interfering with the King's prerogatives might be held guilty of treason.

Paris Visit Despite Bronchitis.

Charles has paid a visit to Prince Bathany at Kormend, fifteen miles south of Steinmanger.

Budapest physicians say the former King is suffering from a mild bronchitis, as well as being fatigued, and that he is not in a condition to make a long journey. They add, however, that it is not necessary for him to remain in bed.

Charles is being treated with the proper respect at Steinmanger. His guard has been gradually transformed into a court. He is granting audiences and has a staff of court officials. The Military Council of the Republic, consisting of forty officers of the highest standing under the Presidency of Admiral Horthy, the Regent, discussed measures which might be made necessary by the presence of former Emperor Charles in Hungary.

"I took an oath to maintain the constitution, and I will not break it," said the Regent in addressing the council. "Help me save Hungary. Keep the troops under the strictest discipline."

Council Loyal to Regent.

The members of the council thereupon took an oath of loyalty to the Regent. The troops of the local garrison renewed their oath of fidelity to the constitution at the same time.

Two airplanes appeared over the suburbs of Budapest dropping portraits of the former Emperor and pro-Charles handbills.

The Minister of Agriculture, Herr Szabo, declared to the correspondent: "Charles gave his word of honor to Regent Horthy that he was leaving the country, and now is looking for a pretext to stay. But we have guarantees that he will be removed even against his will."

There is much speculation as to how the former Emperor can be forced to depart, because it is said no Magyar will touch him. His forced removal by foreigners, it is believed, would be likely to provoke deep indignation and offend the national pride.

The latest announcement of the unwillingness of Charles to leave Hungary at all, even if he were not allowed to

QUEST CHARLES BY THURSDAY IS ULTIMATUM TO HUNGARY

All Relations Will Be Severed and Military Will Move
Then, Declares Little Entente, Insisting That Dynastic Question Be Settled Definitely.

By the Associated Press.

PRAGUE, Czechoslovakia, April 4.—In an ultimatum delivered to Hungary yesterday by Jugo-Slav, Czechoslovak and Roumanian governments (the Little Entente) are understood to have threatened the severance of all relations and the beginning of military operations against Hungary if former Emperor Charles has not departed from that country by 6 o'clock Thursday evening. The three states are determined to require Hungary to settle definitely the dynastic question, giving adequate guarantees to surrender immediately western Hungary to Austria and to suppress the irregular troops in that region.

PARIS, April 4.—Budapest advices today announced that the French, British and Italian High Commissioners there

assume the throne, came through Prince Windischgratz.

"King Charles has declared categorically to his suite that he is unwilling to leave the country," said the Prince, "and if he cannot be King is resolved to settle as a common citizen."

In comment on the ex-monarch's announcement Count Andrássy said: "I am afraid the King's sojourn might be longer than would be good for him and his dynasty."

HUNGARY AND CHARLES REACH A COMPROMISE

Ex-Ruler to Issue Proclamation Before Leaving.

By the Associated Press.

VIENNA, April 4.—A compromise has been reached between ex-Emperor Charles and the Hungarian Government, according to advices from Budapest, whereby he will issue a proclamation to the people before he leaves, maintaining his claim to the throne of Hungary and declaring that he only yields to the force of circumstances, and at the same time has the fullest confidence in the political capacity of the Hungarian people.

A Steinmanger despatch says that Charles is fully informed as to the feeling of the National Assembly and the Government, and realizes the difficulty of the situation, and therefore consents to abandon his original plans.

Dr. Fitzwilliams, the English physician who visited the former Emperor, returned to Vienna today. He told the Associated Press Charles had a temperature and hard cough, and he thought it would be unwise for the former monarch to attempt to travel until his condition had improved.

The Austrian Government notified the Hungarian Government that unless an early hour is set for the certain departure of Charles the Austrian Government will cancel his safe conduct. This notification evoked a promise from Hungary that Charles would leave that country within forty-eight hours from Sunday night.

While republicans here are maintaining an attitude of great restraint, nevertheless the irritation among them has been growing. In to-day's issue *Der Morgen* declared it would be hard to check a revolution in Austria if the ex-ruler remained on Hungarian soil much longer.

BRITAIN'S DRINK BILL UP.

Jumps \$400,000,000 in 1920 to
Total of \$2,285,795,050.

WASHINGTON, April 4.—Great Britain's drink bill increased by more than \$400,000,000 last year as compared with 1919, says a report to the Department of Commerce from Consul Hunter Sharp in Edinburgh.

The amount spent on intoxicating liquors in the United Kingdom in 1920, the Consul says, is estimated at \$2,285,795,050, as against \$1,878,469,000 in 1919. The total, however, is about 24 per cent. less than before the war.

presented to the Hungarian Premier Sunday morning the resolutions recently passed by Allied Council of Ambassadors setting forth emphatically the opposition to the Entente to the restoration of former Emperor Charles. The Commissioners were insistent that the ex-King should leave Hungary without delay.

Premier Teleky, the advices added, telegraphed to Steinmanger that arrangements for the ex-ruler's departure should be hastened.

A Prague despatch to the *Petit Parisien* states that Dr. Eduard Benes, Foreign Minister of Czechoslovakia, has declared that if Charles does not leave Hungary before April 7 the "Little Entente," comprising Czechoslovakia, Roumania and Jugo-Slavia, will intervene.

A Vienna despatch says the Hungarian Government has fixed August 20 as the date upon which a King will be elected.

PERSHING SCORES 'AID' FOR WOUNDED

Continued from First Page.

now 25,000 men under Government care, and of these three in ten are insane, while five in ten have tuberculosis.

The number of patients is constantly increasing, he said, and in many cases the disease has been allowed to advance to a stage of incurability. He sighted the Fox Hills Hospital, on Staten Island, as "a symbol of Government neglect."

George Wharton Pepper of Philadelphia presided. He was introduced by George W. Wickersham, Bishop William T. Manning made the invocation. Other speakers were Hugh Frazer, representing the American Federation of Labor; F. H. La Guardia, president of the Board of Aldermen; the Rev. Dr. Ernest M. Silvers, rector of St. Thomas's; the Rev. Dr. Joseph Silverman and the Right Rev. Mr. George J. Waring.

Resolutions were adopted urging Congress to act and asking a bill to consolidate the Health Service, the War Risk Insurance Bureau and the Board of Vocational Education. The abandonment of Fox Hills Hospital and the immediate provision of suitable institutions also was demanded.

PROPAGANDA PLOT ATTRIBUTED TO LENINE

Document, Published in London, Refers to Trade.

LONDON, April 3 (Tuesday).—An undated document purporting to contain secret, detailed instructions from Nikolai Lenine, the Russian Bolshevik Premier, ordering Soviet trade missions abroad to stir up revolution, is published this morning by the *London Times*. The document, which is signed "Butharin, Berezin, for third international executive," and "Favov, Veltman, director of the council of action for propaganda in the East," says in part:

"Trade relations must always serve for communistic propaganda. Their primary object is spreading discontent among workers and soldiers and preparing strikes and disturbances."

"The point of a state guarantee should always be raised at the end of negotiations with foreign firms. The guarantee would not be forthcoming, and thus the firms would be obliged to refuse the orders. This would furnish a useful basis for stirring up discontent among the workers."

Soviet delegates are further instructed by the communication to stay at the best hotels and spare no expense; also to make efforts to "buy" the press. Special attention is called to the importance of stirring workers to serve as a nucleus for fighting units.

BADEN STIPULATED BERGDOLL'S SAFETY

Clause in Order Freeing Americans Provided He Be Not Molested.

PAYMENT ALSO TO GIRL

Government 'Supposed' She Would Be Compensated for Wound Received in Struggle.

By the Associated Press.

BERLIN, April 4.—The Baden Government's order releasing Carl Neuf and Franz Zimmer, the American detectives who were imprisoned for attempting to arrest G. C. Bergdoll, contained this phrase:

"The release is made upon the supposition that the young woman shot in the head will be suitably compensated by the Americans, and that the two German-Americans, Bergdoll and Stecher, will remain in unoccupied German territory and under no circumstances be molested."

The insertion of the above clause was made against the advice of the Central Government in Berlin. It was learned officially today. One official declared: "We suggested to the Baden Government that it would not be good policy to take such an extreme attitude toward Bergdoll and Stecher, and our understanding was that the reference to them had been omitted."

BERLIN HINTS AT \$1,500 FOR WOUNDED GIRL

She Was Shot in Hand in Attempt to Seize Bergdoll.

WASHINGTON, April 4.—An unofficial suggestion has been made to the United States Government, it was learned today, that an indemnity should be paid to the German girl who was shot in the hand at the time Carl Neuf and Franz Zimmer attempted to kidnap Bergdoll, American draft evader, in Eberbach, Baden.

The suggestion was made by German officials. It was said, and 100,000 marks, about \$1,500 at the present rate of exchange, mentioned as the sum.

The matter is under consideration by the State Department. Recent advices from Germany are to the effect that the girl will lose her hand. War Department officials are disposed to view the indemnity suggestion favorably.

Chairman Kahn of the House Committee on Military Affairs announced today that his resolution for investigation of the escape of Bergdoll would be introduced on the opening day of the extra session, regardless of efforts by the American Government to have him sent back here to serve his term in prison.

OPEN SHOP ON TRACTION LINE.

Special Despatch to THE NEW YORK HERALD.

THOT, April 4.—At the beginning of the tenth week of a strike on its lines in this city, Albany, Watervliet and Cohoes, Harry B. Weatherwax, vice-president of the United Traction Company, declared today that hereafter the company would operate under the open shop plan.

Sure Relief
BELL-ANS
6 BELL-ANS
Hot water
Sure Relief
FOR INDIGESTION

Bread—And a Woman's Way

The telephone rang in Mr. Jack's office. Mrs. Jack was on the wire.

"Hello, dear," she said, "I don't just feel like sticking home this afternoon and I'm coming in to the matinee. I'll meet you at the five-fifteen, and we'll come home together."

"But, dear," replied Mr. Jack, in a worried tone, "won't that make dinner a little late for the kiddies who'll be ravenous after their hard afternoon play?"

Mrs. Jack just laughed. "Not no, old dear," she answered, "we'll buy a loaf of **WARD'S BREAD** and some **WARD'S CAKE** on the way home. And the rest I can fix up in a very few minutes. The kiddies like that bread and cake so they won't care much what else they have."

Experience has made our housewives trustful of **WARD** and thankful that he helps them out of the kitchen.

Remember that every loaf of
WARD'S BREAD
is made to make you
want to eat another

Copyright, 1921, by Ward Baking Co.

NY shop
that's honest
will tell
you that a
Huddersfield
men's worsted is
the finest fabric
known

But we alone
have these
men's suits at
\$60 and
they are also
hand-tailored!

Franklin Simon & Co.
Fifth Avenue

2 to 8 West 38th Street—Street Level

As we said before—No Elevators

World's Most Successful Surety Company

The National Surety Company is in this position!
The public made this corporation successful.
The public recognizes that here it buys—
Better security than is obtainable elsewhere!
Better service than is obtainable elsewhere!
Better co-operative spirit than is evidenced elsewhere!

We are proud of our loss paying record.
Many losses are paid instantly, not twenty four hours or one hour after claim is made, but instantly on demand, and by such instantaneous action we have saved certain concerns from bankruptcy.
In purchasing our Surety bonds or Burglary Insurance policies you obtained the strongest guarantee and best service. Costs no more.

LET US BOND YOUR EMPLOYEES
Have you one of our Burglary Policies?

Apply
Your Own Broker
or
National Surety Company
115 Broadway, New York
Resources over \$23,000,000
World's Largest Surety Company

The move uptown brings prices down

'The Gift Shop of Fifth Avenue' will be more conveniently placed for you when it moves to 39th Street and 5th Avenue. Until then, you will be repaid by the discounts for what you may miss in convenience. For as long as our old home is open, discounts of 10%—20%—30%—40% and 50% prevail upon all the charming things for which Ovington's is so well and widely known.

OVINGTON'S
"The Gift Shop of Fifth Avenue"
312-314 Fifth Ave. Near 32nd St.